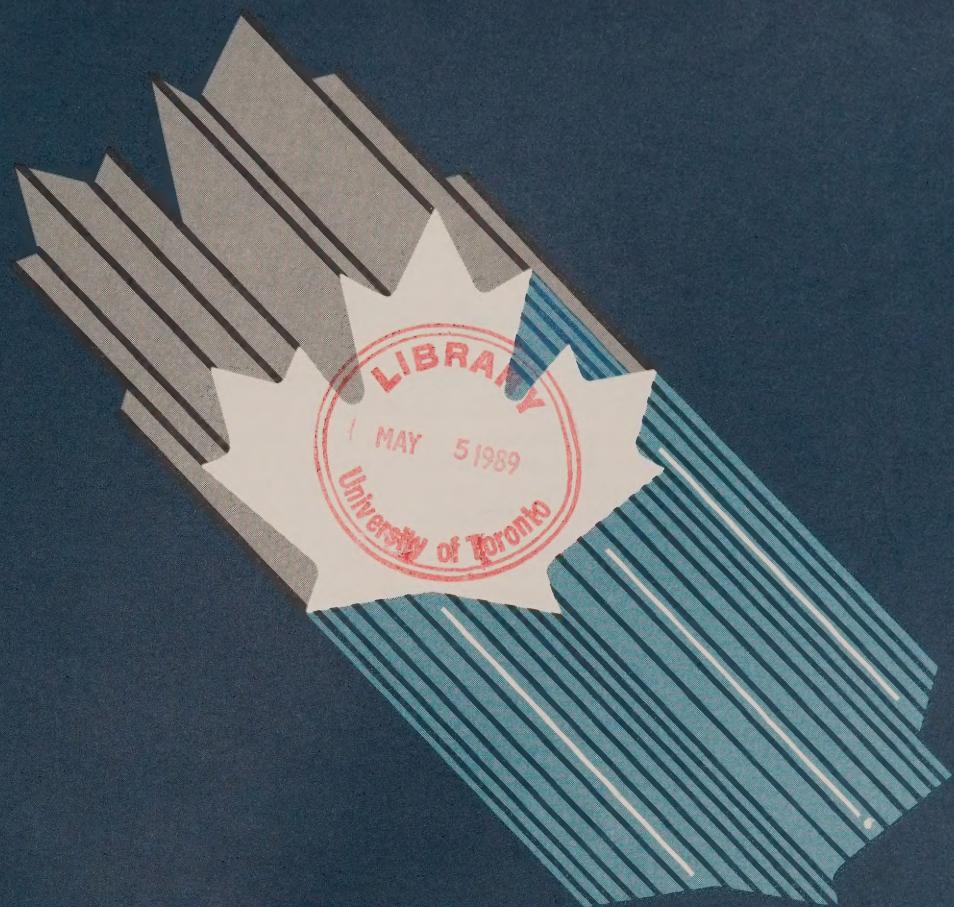


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I N D U S T R Y
P R O F I L E

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Industry, Science and
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Industrie, Sciences et
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Processed Forage

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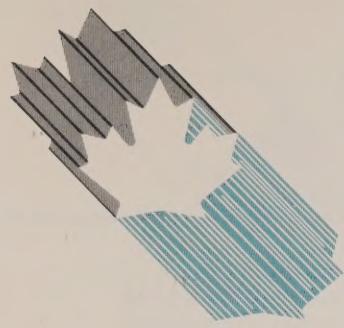
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INDUSTRY

PROFILE

PROCESSED FORAGE

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FOREWORD

• • • • •

In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to survival and growth. This Industry Profile is one of a series of papers which assess, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological and other key factors, and changes anticipated under the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the papers.

The series is being published as steps are being taken to create the new Department of Industry, Science and Technology from the consolidation of the Department of Regional Industrial Expansion and the Ministry of State for Science and Technology. It is my intention that the series will be updated on a regular basis and continue to be a product of the new department. I sincerely hope that these profiles will be informative to those interested in Canadian industrial development and serve as a basis for discussion of industrial trends, prospects and strategic directions.

Minister

Canada

1. Structure and Performance

Structure

The processed forage industry is composed of firms that produce dried alfalfa pellets and cubes for animal feed. These products are made from forage (principally alfalfa) which has been either artificially dried (dehydrated) or sun-cured (field-dried). Dehydrated alfalfa pellets are a common ingredient in manufactured compound feeds for farm animals. Sun-cured pellets are frequently used as a direct supplement feed without further processing. Alfalfa cubes (sometimes called hay cubes) are primarily used as a dietary source of fibre for cattle and horses.

This industry is made up of more than 30 small firms with total sales in excess of \$66 million annually. Of this, some \$57 million is exported, mostly to Japan. A shortage of agricultural land and large livestock populations have made Japan a strategic market for North American processed forage. Most export sales, particularly for pellets, are co-ordinated by three specialized marketing firms. In contrast to alfalfa pellets, which are the major component of export sales, about 50 to 60 percent of alfalfa cubes is sold domestically. Imports of pellets and cubes are negligible.

The industry is primarily owned and managed by Canadians and employs about 725 persons. Production normally exceeds 450 000 tonnes annually for pellets and cubes. Total pellet production is approximately 280 000 tonnes of dehydrated alfalfa pellets and 70 000 tonnes of sun-cured pellets. Alfalfa cubes make up between 20 to 25 percent — or close to an average of 100 000 tonnes annually.

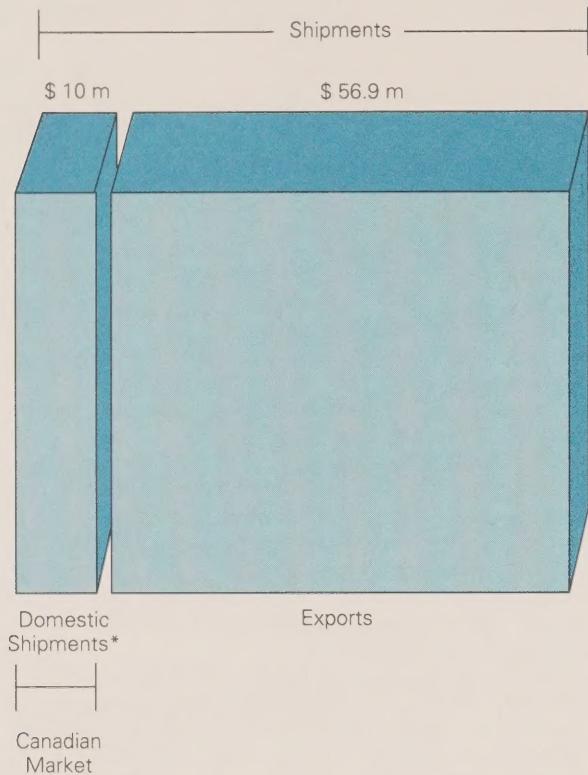
Most of the production occurs in western Canada, with more than 60 percent of all industry plants and 75 percent of total production located in Saskatchewan and Alberta. There are plants in all provinces, however, with the exception of Atlantic Canada (a plant in Prince Edward Island has been converted to fishmeal production). Alfalfa pellet production is widespread across Canada, while cubes are processed mainly in Alberta, with small amounts manufactured in Manitoba and British Columbia.

Industry firms vary in size, although Ontario and Quebec companies tend to be small, producing between 2000 to 4000 tonnes annually, mostly for local feed mills. These firms account for about 10 percent of national production (about 25 000 to 30 000 tonnes).

Western plants are much larger and currently produce an average of 15 000 to 20 000 tonnes annually. The annual production capacity of western Canadian plants ranges between 5000 and more than 40 000 tonnes.

Weather conditions dramatically influence alfalfa yields and hence overall industry production levels. Winterkill and drought conditions can affect the availability of raw plant material. On the other hand, too much rain during harvest also hampers processing operations. Weather factors, combined with the perishable nature of the product, require firms to make significant investments in storage facilities. The short production season and the need to supply products year-round make storage critical.

Industry, Science and
Technology CanadaIndustrie, Sciences et
Technologie Canada



*Imports**, Exports and Domestic Shipments
1986-87*

* ISTC estimate

** Imports are negligible

The value added in the production process is fairly substantial — as a percentage of the value of the finished product prior to shipment, it can be as high as 75 percent. Dryer fuels, labour and raw materials are the major variable processing costs.

Production costs for cubes, and sun-cured and dehydrated alfalfa pellets are roughly similar. Although dryer fuel costs are much lower for sun-cured products, savings are offset by the costs of baling, handling and storing sun-cured materials until processing. Dehydrated alfalfa pellets are processed right after the forage is cut and hauled from the field, so there is no need for baling. Sun-cured alfalfa pellets normally sell for 10 to 15 percent less than dehydrated alfalfa pellets, which are considered a higher-quality product. Cubes can also be made from fresh cut forage or from sun-cured materials. The quality of raw materials used has a direct impact on the quality and price of the finished product.

Performance

The industry as a whole has grown significantly since the early 1970s. Substantial new investment has been concentrated in western Canada, responding to demand from Pacific Rim countries (principally Japan).

Alfalfa dehydration began in eastern Canada in the late 1940s to serve local markets. A relatively stable local supply and demand situation developed and has remained unchanged since then. High energy and transportation costs keep eastern Canadian export sales to a minimum. Confined largely to local domestic markets with stiff competition from other feedstuffs, production and sales in eastern Canada have remained static for the past 10 years.

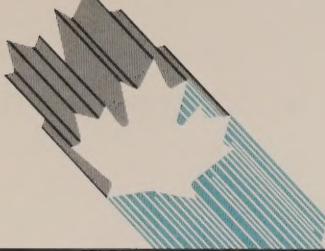
The industry in western Canada, on the other hand, has grown rapidly since the early 1970s. In 1973, Canadian production totalled approximately 125 000 tonnes while exports were estimated at 60 000 tonnes. By 1986-87, total output increased to a record 453 000 tonnes and exports had reached 367 000 tonnes. In the 1987-88 period, aided by favourable weather conditions, production exceeded 490 000 tonnes. The drought of 1988, however, reduced raw material availability and production levels, particularly in Saskatchewan, although this could be offset by some record production levels in parts of central and northern Alberta.

The growing Japanese market has been an important factor in the expansion of the western Canada processed forage industry. Overall, the past 15 years in Japan have seen strong, continuous economic growth, with gradual adoption of western-style livestock production and feeding methods and the expansion of dairy and poultry output. As a result, its imports of feedstuffs have increased dramatically.

Canadian industry has successfully provided the Japanese market with quality alfalfa products (primarily pellets) at prices which are competitive with U.S. suppliers — Canada's major competitors. Over the past 10 to 15 years, Canada has gradually displaced the United States as the major supplier of alfalfa pellets to Japan. In 1986, Canada supplied 300 000 tonnes of pellets out of a total Japanese purchase of 330 000 tonnes.

Although well established in the Japanese alfalfa pellets market, industry growth has been largely confined to that particular market. The Japanese pellet market, however, is showing signs of maturing, and attempts to develop other Pacific Rim markets, such as the Republic of Korea and Taiwan, have had only modest success to date, although significant growth is still possible.

Sales into the West European market are limited because of distance, production costs (which rose in the 1970s with higher energy costs), competition from other feedstuffs, and the complex feedstuff subsidy schemes provided under the European Community (E.C.) Common Agriculture Policy. Although sales to the United States do occur, they are limited by that country's own production of processed forage, as well as competition from other feedstuffs produced there.



Transportation constraints have been more of a problem for the Canadian cube industry. The United States dominates this market, while Canada has only a six percent market share with exports not exceeding 40 000 to 50 000 tonnes.

Unlike the United States, Canada has been slower to develop and find market acceptance for new products. The Japanese dairy industry is rapidly developing as a market for fibre forage products longer than a 0.5 cm diameter pellet or a 2.5 cm cube. There is now greater interest in this market and systems to produce new products with longer fibre lengths (5 cm to 15 cm) are being developed and tested. However, Canada still only has less than a one percent share of this market.

The Japanese cube and long fibre markets exceed one million tonnes. They are much larger than the market for pellets, and are dominated by U.S. suppliers.

Although the Canadian domestic market is the industry's second largest, expansion of processed forage demand is hampered by pressure from competing feedstuffs. Widely available other feed grains (corn and barley) and oilseed meals (soybean and canola-based) which Canada also produces, limits opportunities to sell alfalfa pellets. Competition from other fibres (corn silage, hay silage and baled hay) also constrains cube sales domestically.

In some years, the industry's before-tax profits have exceeded 10 percent of sales. Profits are volatile. They depend on the supply and quality of inputs as well as the price and supply of competing feed commodities (corn and soybean meal). Heavy dependence on the single export market of Japan for only a few products, adds to uncertainty and fluctuations in profitability.

2. Strengths and Weaknesses

Structural Factors

Key factors influencing the industry include access to raw materials, energy and transportation costs, climatic conditions, availability of containers and price and availability of competing products.

The larger industry presence in western Canada is due to certain regional advantages. Lower raw material and energy costs provide the industry with important low-cost inputs. In addition, lower land costs make forage production more viable than in other parts of Canada or the United States. For example, raw forage material usually costs less in northern Alberta and northeastern Saskatchewan than alfalfa grown under irrigation in southern Alberta, eastern Canada or California.

Since drying costs are a major portion of total operating costs, the relatively cheap natural gas in Saskatchewan and Alberta is also an important advantage for western Canadian producers. Energy shortages and high oil prices forced production declines in the E.C., the United States and New Zealand in the 1970s.

Canadian production is more highly seasonal than in the United States, where the milder climate permits a longer alfalfa growing season. The highly seasonal nature of alfalfa production and the limited demand for sun-cured pellets force Canadian plants to close for part of the year. Cubing operations continue for longer periods with stocks of baled hay. As well, the U.S. climate and the alfalfa varieties grown there allow portable cubing plants to produce a bright celery-green type of alfalfa cube that has become the preferred standard in Japan.

In addition, the industry faces a number of transportation constraints. Processed forage is freight sensitive. Some Canadian Prairie producers are farther from the Pacific coast than some of the leading alfalfa producing areas in the inter-mountain region of western United States. Prairie plants are far from the large central Canadian market and, in the case of exports, a long way from all-season ocean shipping terminals. As a result, the inland transportation and handling component of export sales is high compared to those of some U.S. suppliers, particularly for cube exporters that use containers. Canada is not on the major world trading routes, so transportation costs to many Latin American, European and African destinations are higher. For example, costs are lower for U.S. shippers who use the Mississippi River system. Traditionally, these U.S. shippers have been more successful in Europe and Latin American markets.

Alfalfa cubes and compressed fibre products are shipped in containers, while alfalfa pellets can be shipped in bulk. Container availability and handling costs have been more of a problem for Canadian shippers than for their American counterparts. These transportation factors have constrained product diversification and industry development in Canada. Due to the larger U.S. economy and greater trade volumes, containers are available in greater numbers there. As well, the infrastructure for handling them tends to be better developed, compared to Canada, where shipments out of Vancouver tend to be more bulk commodities (grain, coal, etc.).

The inclusion of alfalfa pellets and cubes under the *Western Grain Transportation Act* (WGTA) has enabled Canadian shippers to offset some of their high rail transportation costs to ports. These same statutory provisions are available for other Canadian feedstuffs as well, so that these commodities (with which they are in direct competition in such world markets as Japan) have the same transportation cost advantage as pellets and cubes.



Canadian suppliers face a demanding and technical market in Japan, particularly for alfalfa pellets. Sophisticated Japanese trading houses, commodity buyers and feed companies constantly monitor the world market for prices and supplies of competing feedstuffs such as corn, corn gluten meal, soybean meal and others. Because these prices and supplies fluctuate sharply, Canadian dehydrators always face unstable and uncertain market conditions. Since they form only a small part of the supply side of the Japanese feed market, Canadians must follow the price and technical trends of this market and best determine how to serve it.

Trade-related Factors

In the European Community (E.C.) there are no customs tariffs on processed forage products. Most feed ingredients, including processed forage products, can be imported into Japan duty-free. In the United States, forage products have a base rate of three percent ad valorem as compared to 10 percent in Canada. The Republic of Korea has a 20-percent ad valorem rate, although on many other competing feed ingredients the import duty is only seven percent or less, putting processed forage at a competitive disadvantage.

Apart from the Republic of Korea, where tariffs have been a problem, other trade-related policies emanating from the E.C. and the United States in particular, have had a much greater impact on trade flows of processed forage and competing feedstuffs. In the E.C., trade policies such as high variable import levies and high export subsidies (together with protein self-sufficiency schemes from which domestic dehydrators benefit) have helped to make the E.C. a major feedstuff producer, thereby dramatically reducing imports from North America.

In response to E.C. initiatives, recent U.S. farm legislation and export policies have focused on making American feedstuffs more attractive on international markets. While American export subsidies such as those offered through the Export Enhancement Program are not available to the U.S. dehydrated alfalfa industry, American agriculture policy has greatly influenced the supply and price of competing feed ingredients through a complex system of price supports and commodity loan programs. As a result, U.S. and worldwide feed ingredient prices have been declining through much of the 1980s, depressing prices of dehydrated alfalfa products and causing U.S. pellet production, domestic usage and exports to decline.

The Republic of Korea imposes a wide range of restrictive trade measures on agricultural and food products. The government keeps most food and agricultural items on restricted lists. It controls the quantities of major agricultural products through a licence arrangement that restricts imports to designated importers. Prior to 1987, import licences had not been issued for commercial shipments of dehydrated alfalfa products. The system is slowly opening towards processed alfalfa imports, but government controls are still rigorous and restrictive.



Total Shipments and Employment*

* ISTC estimate

Non-tariff barriers, in the form of product standards, have hampered Canadian access to the large Japanese long fibre market. In order to alleviate Japanese concerns about potentially importing the Hessian fly from North America, the United States has signed an agreement with Japan facilitating the entry of fumigated, baled hay into that market.

Canada does not have a similar agreement with Japan, so comparable Canadian products cannot be shipped there without first receiving a rigorous visual examination conducted by Agriculture Canada inspectors. In early 1988, however, Japan did agree to a protocol to admit the entry of a dehydrated long fibre product, which would be packaged and shipped without the need for a visual inspection, provided that certain conditions are met.

Under the Canada-U.S. Free Trade Agreement (FTA), customs duties on processed forage products between the two countries are scheduled to be eliminated immediately once the agreement comes into effect. Canada has agreed to eliminate WGTA subsidies on products shipped to the United States through western Canadian ports. However, "in transit" shipments to third-country markets through U.S. ports would not be affected.

Technological Factors

Most of the production technology in Canadian plants has been developed abroad. Minor technology improvements are generally incorporated into plants as they are renovated to improve efficiency. Since the industry is a major energy user, some studies on alternative fuels and energy conservation have been undertaken.



The nutritional aspects of alfalfa products and optimal feeding practices have been the focus of research at universities and Agriculture Canada research stations in western Canada. These efforts have included test-feeding livestock on dehydrated whole plant cereal products and long fibre alfalfa products in an attempt to diversify industry product lines.

The industry has also benefited from the development of winter-hardy and high-yield alfalfa varieties as well as improved field management practices. Most recently, research has focused on methods to combat the Hessian fly and the plant species which hosts this insect. Resolving Japanese concerns about the possible entry of this parasite into Japan is a precondition to facilitate the export of a wider range of Canadian fibre products to that market.

The high transportation costs of moving bulky fibre products over long distances to export markets are a fundamental constraint facing the industry. Attempts to improve foreign fibre market penetration have focused on the development of reliable production equipment (which will manufacture a more densely packed product), better packaging systems and a low-cost automated production line.

3. Evolving Environment

The industry will likely continue to rely heavily on export markets. Its object will be to expand the already extensive network of export contacts, and to obtain an improved, overall picture of market size and new market opportunities.

Alfalfa dehydrators are likely to continue to face the uncertainties associated with a heavy reliance on Japan, as well as the pressure of competing feedstuffs in both domestic and export markets. This situation appears to preclude any significant market expansion, such as the one during the 1970s, unless new markets like the Republic of Korea can be developed. In 1987, the Republic of Korea did permit the first commercial imports of alfalfa pellets, with 2000 tonnes coming from Canada and 8000 tonnes from the United States. There are indications that larger commercial shipments will be permitted in future years. This developing Pacific Rim nation represents a large potential market, because of sizable livestock populations and limited amounts of arable land.

Product diversification into a wider range of fibre products will be an important strategy for future industry development. For example, the long fibre market in Japan is large, with more than 400 000 tonnes shipped in 1987, primarily for the Japanese dairy market. Worldwide government agricultural trade policies and weather conditions are likely to remain the major factors determining supply and pricing of major feedstuffs, for both processed forage products and competing commodities.

The FTA is not expected to have a significant impact on the industry. Trade in processed forage products between Canada and the United States is fairly small and both countries export to third-country markets. Canada has agreed to eliminate WGTA subsidies on products shipped to the United States through western Canadian ports. This concession could have a slightly negative effect on sales into the American market. However, it may be offset through slightly larger domestic sales to the western Canadian livestock industry as a result of improved access to the American red meat market.

4. Competitiveness Assessment

As a major feedstuff producer and exporter of processed alfalfa products, Canada will likely continue to face limitations in the domestic market from other product substitutes. Supplies of forage-based, cereal-based and oilseed-based feedstuffs are plentiful in Canada. The western industry has developed to serve the export market. It should remain competitive in that market because of its relatively inexpensive supplies of natural gas and usually abundant raw materials for processing.

Distance and transportation costs associated with bulky, freight-sensitive products limit participation in offshore markets. Climatic considerations, problems associated with container use and availability, and agricultural and trade policies in other countries also pose limits on industry growth.

The overall impact of the FTA is expected to be neutral. Both countries have natural competitive advantages in forage-based products and both will probably remain major exporters to offshore markets, with some limited two-way trade between them on a regional basis.

For further information concerning the subject matter contained in this profile, contact:

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PRINCIPAL STATISTICS

SIC(s) COVERED: 1055 (1980)

	1973-74	1982-83	1983-84	1984-85	1985-86	1986-87
Establishments ^e	23	25	29	35	35	35
Employment ^e	N/A	575	655	725	725	725
Shipments (\$ millions) ^e	8.5	45.6	64.5	66.6	57.9	66.9
Volume of pellets ('000 tonnes)*	125	242	335	381	325	347
Volume of cubes ('000 tonnes)*	—	47	57	65	85	106

TRADE STATISTICS

	1973-74	1982-83	1983-84	1984-85	1985-86	1986-87
Exports (\$ millions)**	6.0	36.6	52.5	47.6	46.9	56.9
Domestic shipments ^e (\$ millions)	2.5	9.0	12.0	19.0	11.0	10.0
Imports (\$ millions)**			negligible			
Canadian market (\$ millions) ^e	2.5	9.0	12.0	19.0	11.0	10.0
Exports as % of shipments	70.6	80.3	81.4	71.5	81.0	85.1
Canadian share of international market (%)	5	25	30	40	35	35
Destination of exports (pellets only) (% of total value)**			U.S.	E.C.	Asia	Others
	1981	3	8	89	—	
	1982	3	—	97	—	
	1983	2	2	95	1	
	1984	1	—	97	1	
	1985	4	—	96	—	
	1986	4	9	87	—	

(continued)



REGIONAL DISTRIBUTION — Average over the last 3 years

	Atlantic	Quebec	Ontario	Prairies	B.C.
Establishments – % of total ^e	3	3	21	70	3
Employment – % of total ^e	1	1	9	88	1
Shipments – % of total ^e	1	1	9	88	1

MAJOR FIRMS

Name	Ownership	Location of Major Plants
Tisdale Alfalfa Dehy Ltd.	Canadian	Tisdale, Saskatchewan
Parkland Alfalfa Products Ltd.	Canadian	Zenon Park, Saskatchewan
Falher Alfalfa Ltd.	Canadian	Falher, Alberta
Tirol Dehydrators Ltd.	Canadian	Tilley, Alberta

e ISTC estimate

* Production year for processed forage industry ends on May 31 rather than on December 31. Production volumes are estimates supplied by Alberta Agriculture.

** Statistics Canada

N/A Not available



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* Les montants indiqués sont exprimés en millions de dollars.
 ** Les quantités indiquées sont exprimées en tonnes.
 *** Dans ce secteur, l'année se termine le 31 mai et non le 31 décembre. Les données des volumes de production sont estimatives et proviennent du ministère de l'Agriculture de l'Alberta.
 **** Données de Statistique Canada.
 e Estimations d'ISTC.
 Trol Dehydratres Ltd. canadienne Tiley (Alberta)
 Fahrer Alfalfa Ltd. canadienne Fahrer (Alberta)
 Parkland Alfalfa Products Ltd. canadienne Zenon Park (Saskatchewan)
 Tisdale Alfalfa Dely Ltd. canadienne Tisdale (Saskatchewan)

Nom	Propriété	Emplacement	
Trol Dehydratres Ltd.	canadienne	Tiley (Alberta)	
Fahrer Alfalfa Ltd.	canadienne	Fahrer (Alberta)	
Parkland Alfalfa Products Ltd.	canadienne	Zenon Park (Saskatchewan)	
Tisdale Alfalfa Dely Ltd.	canadienne	Tisdale (Saskatchewan)	

Etablissements (en %) e	C-B	Alberta	Québec	Ontario	Prairies	C-B
Emplois (en %) e	1	1	1	9	88	1
Expéditions (en %) e	1	1	1	9	88	1

TRANSMISSION REGIONALE — Moyenne des 8 dernières années

PARTENAIRES / SOCIÉTÉS

PRINCIPALES STATISTIQUES CTI 1055 (1980)

1973-	1982-	1983-	1984	1984-	1985-	1986-	1986-	1987
Etablissements	23	25	29	35	35	35	35	35
Emplois	n.d.	575	655	725	725	725	725	725
Expéditions*/e	8,5	45,6	64,5	66,6	57,9	66,9	66,9	66,9
VOLUME de comprimés***/***	125	242	335	381	325	347	347	347
Volume de cubes**/***	—	47	57	65	85	106	106	106
STATISTIQUES COMMERCIALES								

1973-	1982-	1983-	1984	1984-	1985-	1986-	1986-	1987
Exportations***/***	6,0	36,6	52,5	47,6	46,9	56,9	56,9	56,9
Expéditions intérieures*/e	2,5	9,0	12,0	19,0	11,0	10,0	10,0	10,0
Importations***/***	—	—	negligeable	—	—	—	—	—
Marché intérieur*/e	2,5	9,0	12,0	19,0	11,0	10,0	10,0	10,0
Exportations (en % des expéditions)	70,6	80,3	81,4	71,5	81,0	85,1	85,1	85,1
Part canadienne du marché international (en %)	5,0	25	30	40	35	35	35	35
Destination des exportations,	É.-U.	CEE	Asie	Autres	Autres	Autres	Autres	Autres
comprimés seulement (en %)****	3	8	89	—	—	—	—	—
1981	1982	1983	1984	1984-	1985-	1986	1986-	1987

4. Evaluation de la compétitivité

En tant qu'important producteur d'aliments pour animaux et exportateur de produits de transformation de la luzerne, le Canada devrait continuer à voir son marché intérieur limiter par la concurrence des autres producteurs. Le Canada est riche en aliments à base de fourrage, de céréales et d'oléagineux. Dans l'Ouest canadien, cette industrie est née de l'exportation d'effilé demeuré compétitive sur ce marché grâce à l'avantage décalant de réserves de même que les dispositions politiques commerciales liées à l'utilisation et à la disponibilité des conteneurs, sur les marchés étrangers. Le climat, les difficultés limitent les possibilités pour cette industrie de percevoir ses produits volumineux et difficiles à transporter. Son éloignement et les coûts du transport de matériaux promet une révolution dans le secteur.

Dans l'ensemble, l'accord ne devrait pas avoir de grands répercussions sur cette industrie, car chaque pays jouit d'avantages compétitifs naturels dans le secteur des produits manufacturiers. Chacun devrait rester un importateur fourrage. Chacun devrait rester un exportateur sur les marchés d'outre-mer, et le commerce canado-américain devrait rester limité et exportateur sur les marchés d'outre-mer.

Il faut toutefois souligner que les deux partenaires ont aussi des obstacles à surmonter. Les deux industries doivent faire face à des difficultés dans le secteur des produits manufacturiers, car chacun des deux pays jouit d'avantages compétitifs naturels dans le secteur des produits manufacturiers.

Dans l'ensemble, l'accord ne devrait pas avoir de grands répercussions sur cette industrie, car chaque pays jouit d'avantages compétitifs naturels dans le secteur des produits manufacturiers.

Son éloignement et les coûts du transport de matériaux promet une révolution dans le secteur.

Pour de plus amples renseignements sur ce dossier, s'adresser à :
Industries des services
et des biens de consommation
Industrie, Sciences et Technologie Canada
235, rue Queen
Ottawa (Ontario)
K1A 0H5
Tél. : (613) 954-2942

Le marché américain de la vianne rouge.
L'Ouest qui profiteront d'un meilleur accès au
le marché intérieur, aux producteurs de détail de
comptes par l'augmentation des ventes, sur
Toutefois, cette situation sera probablement
pourrait nuire à ses ventes sur le marché américain.
vers les États-Unis à partir des ports de l'Ouest,
transport du grain de l'Ouest, aux exportations
subventions qu'il versait en vertu de la Loi sur le
tiers. La décision du Canada de mettre fin aux
assez limite et les 2 pays exportent vers des pays
étrangers, le commerce canado-américain est
répercussions sur cette industrie. Dans le secteur
du fourrage, le commerce canado-américain
L'accord ne devrait pas avoir d'importantes
produits concurrents.

Le essor de cette industrie reste lié à la diversification des produits pour élargir le domaine des produits à fibres. A titre d'exemple, soutiens que le vaste marché japonais décline longue 1987, surtout dans l'industrie laitière. A l'échelle mondiale, les diverses politiques en vigueur sur le commerce des produits agricoles et les conditions météorologiques devraient rester les facteurs déterminants de l'approvisionnement et des prix des aliments pour animaux, tant pour les produits de la transformation du fourrage que pour les denrées alimentaires.

Cette industrie continue sans doute de dépendre des marchés d'exportation. Il lui faudra donc élargir son actuel réseau d'activité, déjà considérable pour l'envergure de son marché, et envisager de nouveaux débouchés.

3. Evolution de l'environnement

Cette industrie a également tenu parti des nouvelles variétés de l'uzerne, à haut rendement et plus résistantes au froid, ainsi que des nouvelles méthodes de gestion des fagots culturels.

Actuellement, les chercheurs s'emploient à trouver des méthodes pour combattre la mouche de Hesse et les variétés des plantes qu'elle attaque. Rendre l'industrie des plantes d'une condition nécessaire à l'introduction de parasites est une condition nécessaire à l'entrée d'une plus grande variété de produits canadiens dans le marché mondial.

Cette industrie canadienne cherche également à reduire les coûts élevés du transport de ses volumes de marchandises sur les longues distances qui la séparent de ses marchés d'exportation.

Pour faciliter son accès aux marchés étrangers de la laine déshydratée à fibres longues, elle s'emploie à perfectionner ses systèmes d'emballage, à automatiser sa production de façon économique et à mettre au point du matériel flottant pour la fabrication d'un produit plus dense.

Facultés technologiques

La majorité des techniques de pointe utilisées dans les usines canadiennes ont été mises au point à l'étrançon, mais les usines qui se modernisent pour améliorer leur rendement adoptent certaines innovations. L'industrie de la transformation fournit plusieurs combusibles et à la conservation de les nouveaux combustibles est une ample consommation d'énergie, l'énergie y sont actuellement à l'étude.

Les universités et les centres de recherche d'agriculture Canada dans l'Ouest canadien étudient en outre la valeur nutritive des produits à base de l'industrie la gamme de produits d'alimentation. Pour diversifier la méthode de cette industrie, les chercheurs ont mis à essai un régime d'alimentation du détail à base de céréales fourragères entières déshydratées et de l'uzerne

Le foin soumis à la fumigation. Les Canadais n'ayant pas signé d'entente scolaque, les produits canadiens ne peuvent entrer au Japon sans avoir subi un strict examen à vue par les inspecteurs d'Agriculture Canada. Au début de 1988, cependant, le Japon a finalement accepté un protocole d'entente qui permet, sous certaines conditions, l'emballage et l'expédition sans inspection à vue d'un produit déshydraté et les Etats-Unis revont l'élimination des araffis apportées par les 2 pays à ces produits. Le Canada accepte de mettre fin aux subventions qu'il versait, en vertu de la loi sur le transport du grain de l'Ouest, aux exportations vers les Etats-Unis à partir des ports de l'Ouest. Cette mesure ne touchea cependant pas les expéditions vers des pays tiers qui ne font que transiter par les ports américains.

En conséquence, les Américains ont récemment adopté des lois et une politique destinées à rendre leurs aliments pour animaux plus compétitifs sur les marchés internationaux. Les producteurs américains qui sont prévus par le Export Enhancement Program. Cependant, la politique agricole américaine, qui repose sur un système complexe de soutien des prix et de prêts en nature, influe considérablement sur l'approvisionnement et les prix des ingrédients entrant dans la composition des produits concurrents. Depuis 1980, ces derniers ont donc baissé aux États-Unis et partout dans le monde, ce qui a entraîné l'affaiblissement des prix des produits américains à base de luzerne. Le recul de la production, de la consommation intérieure et des exportations.

La Corée du Sud a imposé sur le commerce des produits agricoles et alimentaires une série de mesures : la plupart de ces produits figurent sur les listes de produits contrôlés par le gouvernement et ce dernier limite les importations des principaux produits agricoles par un système de permis réservés à des importateurs choisis. Avant 1987, ce pays n'avait délivré aucun permis d'importation pour le commerce des produits à base de luzerne depuis 1984. Depuis cette date, il a commencé à accorder des importations courtes de luzerne, mais il les soumet encore à des mesures extrêmement rigoureuses.

Les barrières non douanières sous forme de normes nuisent à l'entrée du Canada sur le marché japonais craignant que les importations en provenance d'Amérique du Nord n'amènent chez eux la maladie de Hesse, sorte de maladie des bouteilles qui permet l'entrée des bouteilles unies dans une entreprise qui vend des bouteilles.

Au Canada, la production est plus saisonnière qu'aux États-Unis où la température plus clémente de la ligue. En outre, la faible demande pour le charbon annule la fermeture programmée des usines canadiennes. Dépendant, la fabrication des cubes au four en bâilles. Par ailleurs, le climat des États-Unis et les variétés de lièvre qui y sont cultivées permettent la fabrication, grâce aux usines mobiles, de cubes d'un beau vert célébre qui sont maintenues dans les produits les plus recherchés par le Japon.

2. Forces et faiblesses

Les bénéfices annuels avant impôts sont souvent supérieurs à 10 p. 100 du chiffre d'affaires, mais ils démarrent extrêmement variables, selon la quantité et la qualité des produits ainsi que le prix et la quantité des autres aliments courants, comme les friandes de maïs ou de soja. Pour cette industrie canadienne qui doit composer, pour quelques produits, avec un seul marché d'exportation, soit le Japon, l'incertitude et la fluctuation des bénéfices agravent les perspectives du marché actuel.

Contrairement aux États-Unis, il est difficile pour le Canada de mettre au point de nouveaux produits et de les imposer sur le marché. De plus en plus, le marché japonais des produits littériels cherche un fourrage à fibres plus longues que celles présentes dans un comprimé de 0,5 cm de diamètre ou un cube de 2,5 cm de côté. Ce marché suscite tant beaucoup d'intérêt, les producteurs font actuellement la mise au point et l'essai de procédés de fabrication pour obtenir des fibres beaucoup plus longues (de 5 à 15 cm), mais la part canadienne de ce marché reste inférieure à 1 p. 100.

Au Japon, les marchés du cube et de la fibre longue sont bien plus considérables que celui des comprimés; dominés par les États-Unis, ils absorbent 26 millions de tonnes de fibres et 1 million de tonnes de cubes.

Pour l'ensemble de l'industrie canadienne, le marché en importance des autres sortes de marché intérieur, mais la concurrence des autres sortes de marché intérieur, pour animaux réduit la demande de fourrage transformé. Les autres céréales fourragères (maïs et orge) et les farines d'oléagineux (soja et autres fibres, comme le maïs ensilé, le foin ensilé et le foin bouteillé, aussi cultivées au pays, et complètes de canola), aussi cultivées sur d'autres terres, viennent les ventes de cubes sur le marché intérieur.

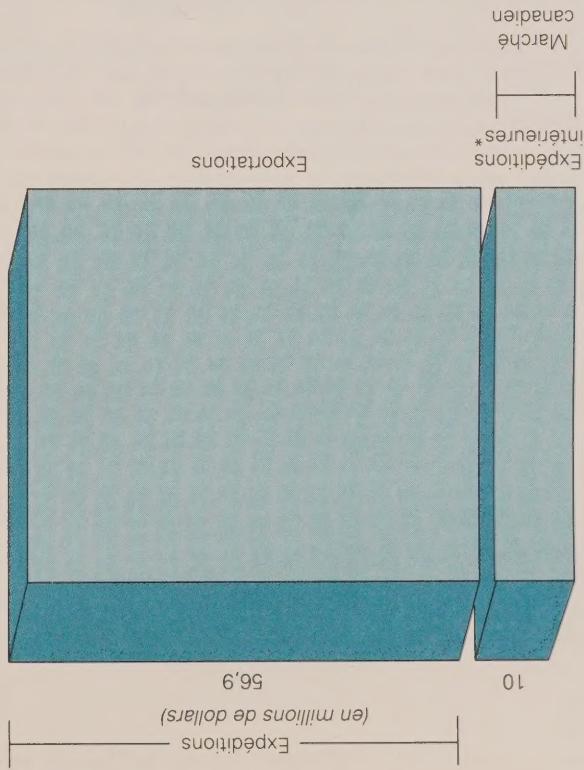
L'industrie canadienne réussit à fournir au marché japonais de la lingerie de qualité — surtout sous forme de comprièmés — à des prix compétitifs par rapport à l'industrie américaine, sa principale concurrente, qui elle a d'ailleurs délogée sur ce marché au cours des 10 à 15 dernières années. En 1986, le Japon a acheté 330 000 tonnes de comprièmés, dont 300 000 tonnes au Canada. Bien installée sur le marché japonais du commerce de lingerie, l'industrie canadienne s'y trouve également dans un marché qui présente des signes de maturation. Les tentatives faites pour percer sur les marchés du Pacifique, comme la Corée du Sud et Taiwan, n'ont jusqu'ici connu que des succès modestes, même si une certaine croissance semble être possible.

Sur le marché de l'Europe de l'Ouest, 4 facteurs limitent les ventes : l'éloignement, les coûts de fabrication qui se sont accrus au cours des années 70 en raison du coût de l'énergie, la concurrence des autres aliments pour animaux et la politique agricole commune de la CEE qui définit pour ces produits un très complexe régime de subventions. Les ventes au Etats-Unis sont aussi limitées par la concurrence exercée par l'industrie américaine de la transformation du fourrage et les autres producteurs d'aliments pour animaux.

Pour le sous-secteur canadien des cubes, le transport est un obstacle majeur. La part canadienne de ce marché, dominée par les États-Unis, n'est que 6 p. 100, les exportations oscillant entre 40 000 et 60 000 tonnes par année.

Hendement

Les coûts de fabrication varient peu selon les produits (cubes), comprimés de sucre hydratée ou séchée au soleil. La sucre hydratée au soleil coûte moins cher au séchage, mais plus cher au chapitre du bottelage, de la manutention et de l'entrepôt jusqu'à la transformation. La déshydratation de la sucre se fait en racc., sur place, immédiatement après la sucrerie. Les comprimés de sucre sont alors séchés à l'air libre se vendent un peu moins cher (10 à 15 p. 100) que les comprimés de sucre hydratée, considérées comme une luxureme deshydratée. Il est possible de metre produit de meilleure qualité, il suffit d'ajouter un peu moins de sucre à l'air libre se vendent un peu moins cher (10 à 15 p. 100) que les comprimés de sucre hydratée, considérées comme une luxureme deshydratée. La sucre hydratée au soleil permet des gains importants sur la qualité et le prix des produits finis.



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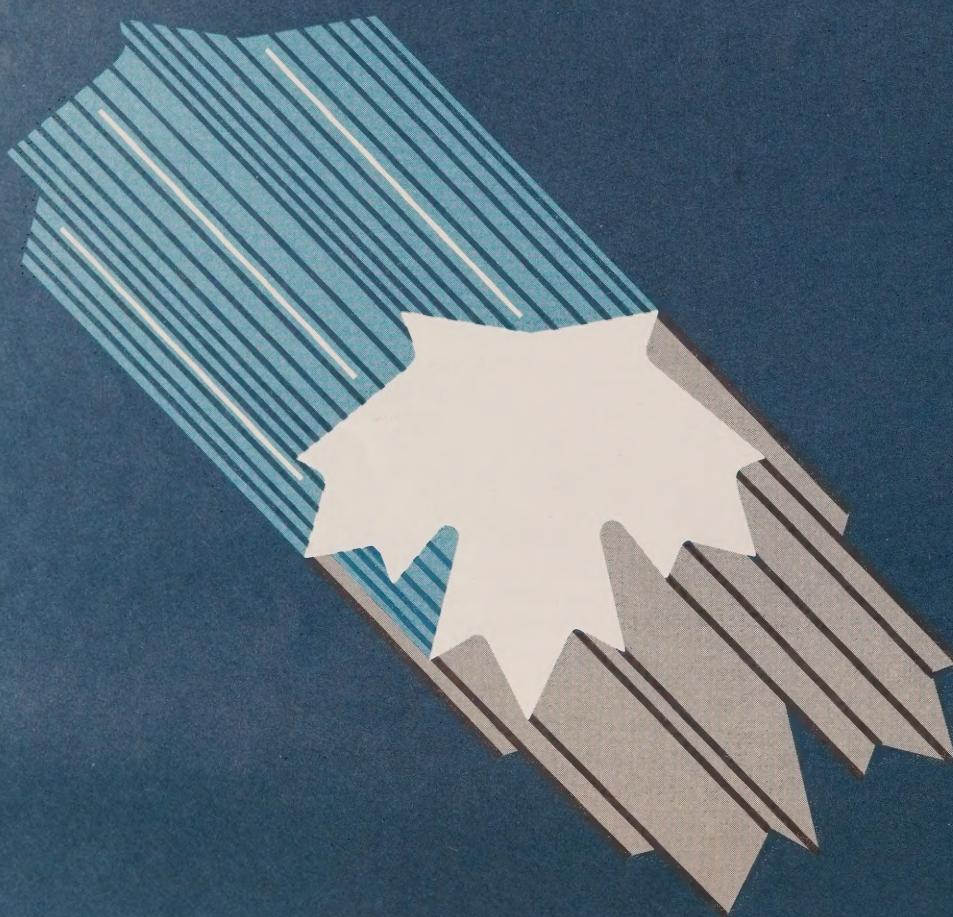
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